



July 1, 2008

The Honorable City Council
and the Citizens of the City of Wilmington:

I am pleased to present to you the FY 2008-09 Annual Budget for the City of Wilmington as adopted by City Council on June 17, 2008. This document represents the City's comprehensive budget plans and policies for the upcoming fiscal year.

The *FY 2008-09 Recommended Budget* was presented to City Council on May 6, 2008 and included the Budget Message, which follows this letter. The Recommended Budget was made available for public inspection on the City's website, in the City Manager's office, the City Clerk's office, the New Hanover County Library (main branch), the Budget Office at 320 Chestnut Street, and to individuals upon request. In accordance with the North Carolina Local Government Budget and Fiscal Control Act, a notice of public hearing was published in two local newspapers to encourage public input into the budget process. A public hearing was held on the Recommended Budget on May 20, 2008. City Council also held a budget work session on May 27, 2008.

During the budget deliberations, City Council made several changes to the Recommended Budget. Listed below is a summary of those changes which are incorporated in the appropriate sections of this document:

REVENUE CHANGES:

- Property tax was revised from \$.3425 to \$.3325 per \$100 of valuation.
- The General Fund appropriated fund balance was increased from \$3,000,000 to \$4,491,000.

EXPENDITURE CHANGES:

General Fund

- The subsidy for WAVE Transit was increased from \$1,040,000 to \$1,140,000.

- An amount of \$25,000 was added to fund the agency request of the Family and Neighborhood Institute.
- An amount of \$25,000 was added to fund the original agency request of \$44,500 to the Cape Fear CDC.
- Funding to Elderhaus was increased from \$10,000 to \$20,000.
- An amount of \$10,000 was added to fund the agency request of the American Red Cross.
- Funding to Wilmington Downtown, Inc. was increased by \$20,000 for the continuation of the pedestrian art program in downtown.
- Contingency was reduced from \$233,935 to \$143,935.

The first reading of the FY 2008-09 Adopted Budget was held on June 3, 2008 and the second reading was held on June 17, 2008. A final draft of the Strategic Plan is included in the Adopted Budget and will be presented to City Council in August for their approval. There were no further changes to the *"Recommended Budget."*

Sincerely,

A handwritten signature in black ink, appearing to read "Sterling B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager



May 6, 2008

The Honorable City Council
and the Citizens of the City of Wilmington:

In accordance with the § 159-11 of the North Carolina General Statutes, I am pleased to present the *Recommended Budget* for the City of Wilmington for the fiscal year beginning July 1, 2008 and ending June 30, 2009 that is hereby submitted for your review and consideration. The *Recommended Budget* includes funding resources to continue core service delivery; address the rise in fuel, energy, and other material costs; and, an increased contribution to the level of funding of capital infrastructure needs. I believe this budget is also being responsible to the citizens and City Council in containing the cost of local government.

This budget is about sacrifice. We are asking our employees to sacrifice in finding ways to do more with less with the hope of being able to implement the recommendations of our Pay and Classification Study; we are asking our citizens to sacrifice by paying a bit more for the delivery of public services; and, we are asking our Council to sacrifice and accepting that not all our bona fide needs can be met in this one budget.

The total net budget for FY 2007-08 is \$127,994,808 and represents a 14.5% reduction below the current adopted budget of \$149,644,592. The General Fund is the largest component of this total with expenditures of \$86,402,788 which is a reduction of .3% of the current adopted amount of \$86,633,341. The General Fund budget maintains the City Council fund balance policy of 15 to 20 percent of the budgeted expenditures and continues the approximate 3 percent appropriation of fund balance in keeping with current fiscal policy. This budget has been decreased with the omission of the Public Utilities Department which has a current adopted budget of \$34,941,208, pending consolidation with the New Hanover County. As a condition of the omission of the Public Utilities from the budget, is a required contribution of approximately \$11,000,000 in revenue from the Cape Fear Public Utility Authority to cover Public Utility debt that cannot be transferred to that entity and must remain as a City debt obligation. There is a corresponding debt service increase in the total expenditures. Additionally, an accounting change of allocating the support costs due to the General Fund for non-General Fund activities in Storm Water, Solid Waste, Golf, and Parking Funds has occurred. Historically, this cost has been recorded in the General Fund as reimbursed revenues and now will be recorded as credit expenses. There is an offsetting expense in each of the enterprise departments for this activity. For the General Fund, this represents a reduction in the budget of approximately \$3 million.

A year ago, the outlook for fiscal year 2008-09 was reasonably healthy. Since then, however, radical changes in the economic conditions coupled with a property tax valuation error by New Hanover County, has made the development of this year's budget extremely challenging. In mid-year, the City learned that the certified tax value for Wilmington provided by New Hanover

County included over \$1 billion of tax exempt property values. This error translated into a \$3.4 million deficit in the City's budget for property tax revenue and represents over 2 cents on the property tax rate, in addition to a loss in future sales tax revenues. While this was not an error by the City of Wilmington, it was nonetheless real. The City immediately took one-time steps to cover this revenue loss via freezing of non-public safety vacancies, capital equipment purchases, and non-critical business travel/training; reductions in health insurance reserves; and, appropriating of a portion of the General Fund balance.

We now also are facing a significant decline in the projection of local sales tax revenue. As a result of the flagging economy, the revenue for General Fund sales taxes has been reduced by \$1.5 million below the adopted amount for FY 2007-08. This is the equivalent of 1cent on the property tax rate. Sales taxes and property taxes represent over seventy percent of total General Fund revenues. On another revenue front, we have estimated the projected interest earnings for the General Fund is almost \$1 million less than the current year adopted amount.

Beyond the tax error issue and the weakened overall revenues, the City must meet the increasing demand for City services. At the March 31st Budget Retreat we provided the City Council with information relating to departmental requests for funding of some \$12 million above the adopted amount of the 2007-08 budget. These amounts included some \$3 million of enhancement requests as well. Obviously, this level of request cannot be met under the current economic climate. I do propose to include some \$900,000 of the requested enhancements that I believe are essential to fund in FY 2008-09. These enhancements are only made possible by City staff who took steps to reduce costs. Every department and employee was asked to participate in this process. It has been painstaking but has yielded both short- and long-term opportunities for savings. I would be remiss at this juncture if I did not express my gratitude to the all of the City's employees for their efforts in this endeavor. I am proposing the full implementation of the Pay and Classification study completed this spring. As you are aware, this was given a high priority by City Council and staff for inclusion in the FY 2008-09 budget.

Included in the expenditure plan you will see, again, the reserves for infrastructure in the area of street rehabilitation and for the riverwalk/bulkhead. This was a recommendation for the current year that we were not able to sustain, however, the need is increasing and a modest amount of funding is provided.

In order to fund limited enhancements, the restoration of some deferred costs from the current year, as well as full implementation of the Pay and Classification study in this challenging economy, I have proposed a 2 cents property tax increase. This is in addition to the 2.25 cents necessary to recover from the effect of the New Hanover County tax value error and achieve revenue neutrality from this year's property valuation which was the Council's intent in setting the tax rate.

Proposed Budget for Fiscal Year 2008-09

The following provides a review of the major components of the proposed budget for FY 2008-09.

Revenues

The net operating and capital budget for FY 2008-2009 is \$127,994,808, which includes a General Fund total operating budget of \$86,402,788. The significant revenue components of the budgetary plan are as follows:

- ❖ A 4.25 cents increase to the property tax, which will result in an adjusted ad valorem tax rate of 34.25 cents per \$100 of property value. This increase includes 2.25 cents to correct the County revaluation tax error, 1 cent (actual costs of implementation equivalent of 2 cents) to cover the implementation of the Pay and Classification study, and 1 cent for the restoration of deferred costs in the current budget as well as the cost of infrastructure reserves.
- ❖ Local Sales Taxes are projected at \$16.5 million, a reduction of \$1.5 million below the current year. Sales tax revenue for the City is further negatively impacted for any ad valorem tax increase implemented by New Hanover County - the effect of which is delayed a fiscal year.
- ❖ Charges for service have decreased with the transfer of the Public Utility department to the Cape Fear Public Utility Authority. There is also a corresponding decrease in total expenditures.
- ❖ In accordance with the solid waste rate model, a 5% increase in fees is recommended for the FY 2008-09 fiscal year.
- ❖ Storm Water, Parking, and the Golf Course funds are continuing with no fee increases proposed for this year.
- ❖ Beginning undesignated General Fund Balance for FY 2007-08 was \$16.3 million and it is projected that this fiscal year will end with an amount of \$18.6 million, which represents 21.5% of the General Fund budget. The City Council has established a fiscal policy goal of undesignated fund balance of 15% to 20%. This estimate exceeds this policy goal. An amount of \$3 million of appropriated fund balance is included in this budget plan.

Operating Fund Expenditures

The FY 2008-09 budget funds continuation of current operations. The primary changes are articulated below.

Major Budget Changes

In the beginning of this budget message were highlights of the significant revenue and cost impacts for changing economic conditions and recovery from revenue shortfalls caused by another entity. Following are significant changes for FY 2008-09:

- ❖ Employee Compensation – Included in the budget recommendation: 1.) Full impact of the implementation of the recommendation by our consultant for the Pay and Classification study completed this Spring in an amount of \$3.2 million. The General

Fund portion is approximately \$2.9 million 2.) A six-month deferral of the City's current merit pay plan.

- ❖ Health Insurance – The City's health insurance costs are predicted to remain in keeping with the current year's cost. No increase in cost is recommended for either the City as an organization or employees. Our employees continue to make good use of the City's health clinic, which has assisted in keeping claim-costs down.
- ❖ Vehicle fuel/utility costs – These areas of the budget have increased based on the spikes in fuel costs of late. The budget proposal includes an additional amount of reserve in the General Fund Sundry area as a hedge against addition spikes in the price of petroleum during the upcoming fiscal year. The City continues to take steps to hold down the cost of energy including a review of the City fleet for potential reductions, consideration of alternative fuel vehicles when vehicle purchases are necessary, and other energy conservation measures that yield-long term savings.
- ❖ WAVE transit subsidy – For the proposed budget year, I am recommending the City adopt a fiscal policy regarding future funding levels as it relates to the City's support to WAVE. Over the last two years, the City's subsidy to WAVE has increased by 36.5%. Our current level of support is now \$1 million. The request from WAVE to the City for the upcoming fiscal year is \$1.3 million. Under the new fiscal policy and included in this proposed budget is \$1,040,000, which is a 4% increase and is in keeping with the change in the Consumer Price Index (CPI). The change in the CPI is the same methodology used to determine increases to other City supported organizations with which we have contracts, including Wilmington Downtown, Inc., Wilmington Industrial Development, and the Wilmington Film Commission. Other elements of this fiscal policy can be found in the Introduction section of the Recommended Budget.
- ❖ Debt Management – The City continues to provide approximately 10% of the General Fund contribution to the debt service and is included in this proposed budget. The City maintains a strong financial position, due in part to its effective management of the debt. The City strives to maintain a balance between debt financing and a "pay-as-you-go" approach. City staff continually works to secure the most favorable interest rates for the City's debt program. The City's credit rating was upgraded in April, 2008 by Standard & Poor's Rating Group from AA to AA+.
- ❖ Fire Overtime –As reported earlier, the City continues to pursue methods to mitigate the costs of overtime in the Fire Department. Going forward in the FY 2008-09 proposed budget, we are recommending the overtime costs remain with the approved budget for FY 2007-08 amount at \$300,000. The following measures will be used to assist in staying within the approved overtime level: 1.) provide for the establishment of 9 over-hires. These over-hires will, to a large extent, relieve the requirement for call back of personnel on an overtime basis. Over-hires will fill vacancies within the department as they occur, and therefore have minimal budgetary impact. 2.) In situations where the full complement of personnel cannot be achieved due to unforeseen circumstances, specific apparatus will be taken out of service based on a pre-existing fire policy. We will make every effort to anticipate fire vacancies so that an adequate number of trained personnel are available. I believe the combination of

these efforts will have a demonstrative effect on the cost of fire overtime. Periodic reports on overtime use and impacts will be provided to you.

- ❖ Police support for Wilmington Housing Authority/New Hanover High Schools – WHA contracts with the Wilmington Police Department to provide for 3 officers to patrol specific WHA properties. This effort is continuing in the proposed budget contingent upon the renewal of the contract with WHA. The City also provides police officers in the New Hanover County schools within the Wilmington city limits. The cost of this effort is partially offset by the New Hanover Board of Education and funding is continued in this budget.
- ❖ SafeLight Program – The City has committed to funding this program for FY 2008-09 with General Fund support of \$160,000. In order for this program to continue beyond this next year as a viable program, the City will need to commit to a significant investment in capital equipment (cameras) from the General Fund or a legislative change that will define how revenue proceeds from fines are distributed.
- ❖ The new Southeast Command Center is located on South College Road. This facility was purchased this current year and will be operational beginning FY 2008-09. This facility was chosen as part of the geographic-based policy program. The existing Patrol Services division budget has been split between the Northeast and Southeast Patrol Services with the Northwest Patrol to continue to be housed at the Police Headquarters.
- ❖ Space Rental – The proposed budget includes a reduction in the lease cost for the space occupied by the City in 320 Chestnut Street (former New Hanover County Administrative Building). The City currently occupies two floors in this building and with the advent of the Public Utility merger, staff has developed a space plan that would allow for movement of staff out of this building and into space in 305 Chestnut Street and further provide for the consolidation of staff in a single floor.
- ❖ Convention Center Operating Fund – This is a new fund for FY 2008-09. This fund will provide for management oversight and operating support for the Convention Center facility after completion of construction. Construction of the facility is finally underway and minimal operating costs are included for this year related to start up and pre-opening costs. The oversight function will reside in the City Manager's Office. The current Purchasing Manager position is transferring to the City Manager's Office as the Assistant to the City Manager/Development. This position will be split funded between the General Fund and the Convention Center Fund, and will be responsible for overseeing the Convention Center work as well as adjacent public improvements in the area.
- ❖ Golf Course Upgrades – Funding is proposed for additional support during the warm weather season for bunker and greens maintenance as well as the replacement of aging maintenance equipment vital to the preservation of the course.
- ❖ Additional Information Technology Support – The City will expand its approach to the rollout of IT enterprise-wide applications that support basic City operations via the use of contracted vendors in lieu of additional full time staffing.

- ❖ Finance Restructuring – Funding is proposed that will allow for the restructuring of the Finance Department to provide more emphasis on internal accounting, reporting and debt management. A Financial Analyst position has been added to provide for oversight in these areas.
- ❖ City Newsletter -- The City will expand its newsletter from 4-page issues to 8-page issues and the number of publications from 4 to 5 annually. Improved coordination with other departments that have publications requirements will also be addressed. This enhancement comes on the heels of a recent citizen survey that indicated the preference of the stakeholders for receiving City information in this form.
- ❖ Police – Mobile Video Recorder System – Funding has been provided in an amount of \$205,000 for FY 2008-09 as a phase I rollout of a three-phase plan to replace the Wilmington Police Department's mobile video recorders with state-of-the-art units and associated storage equipment. The existing system is cost prohibitive to maintain and repair.
- ❖ Community Services – Concessions Oversight – In an effort to address internal weaknesses identified by an internal audit, 1 position is being added to provide for concessions oversight to include the training and supervision of volunteers on cash management.
- ❖ Parking Fund – Funding is provided for a Support Technician to assist in day to day support of the Parking Manager and to provide for office management.
- ❖ Reductions- Reductions in the recommended budget include: reducing the size of the City's fleet; exploring means to reduce further energy and utility costs; the restructuring of work assignments; efficiencies from the more effective use of technology; and, limiting the amount of available funding for economic development incentives.

Capital Improvement Program

Below are highlights of the Capital Improvement Program.

- ❖ Additional funding of \$2 million is included for the replacement/upgrade of the 800 MHz analog radios to a digital format. The analog versions will no longer be supported after FY 2010. This replacement program is critical in the event of emergencies in communicating with internal and other external agencies.
- ❖ Funding of \$50,000 is included for potential security enhancements to City Hall. A contractor will be retained to provide options for consideration by City Council.
- ❖ Additional funding of \$2 million is included for Independence Boulevard Phase II. Design issues, material cost escalation, and right-of-way costs are cited as the primary drivers of this cost escalation. Our plan had been to use funds in the Randall Parkway Widening after substitution of revenue from federal SAFETEA (2005) funds for the 2/3's General Obligations bonds as originally appropriated. However, due to the

factors that have impacted Independence II, it now appears that the Randall Parkway project will need both sources of funds to satisfy current project estimates.

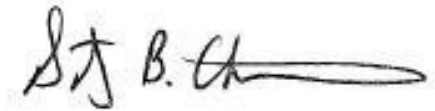
- ❖ Continued funding of fire station improvements are included. A consultant study of all the fire facilities is currently underway.
- ❖ Items excluded from this budget proposal - Due to resource constraints, many needs and requests are not reflected in the recommended budget. This includes: full funding of City agency requests for funding; expanded funding of reserves for infrastructure; a more intensive capital improvement plan; the operating funds to staff new City facilities that will be coming on line toward the end of Fiscal 09; full funding for potential economic development incentives, etc. Instead, we have attempted to balance the overall needs of the City within reasonable funding constraints. We have however attempted to give full consideration to each request.

The Future?

The City of Wilmington has always strived to provide high quality services at the lowest possible costs. We will continue to do so by examining current processes and procedures. Our City departments are challenged to meet the ever increasing demand for services with very limited resources to call upon. Making a recommendation for a tax increase should not be done without careful consideration. Given the limited flexibility, I believe it is necessary.

We look forward to working with City Council as you consider the *Recommended Budget*.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "St B. Cheatham", with a long horizontal flourish extending to the right.

Sterling B. Cheatham
City Manager

REVENUE AND EXPENDITURE SUMMARY

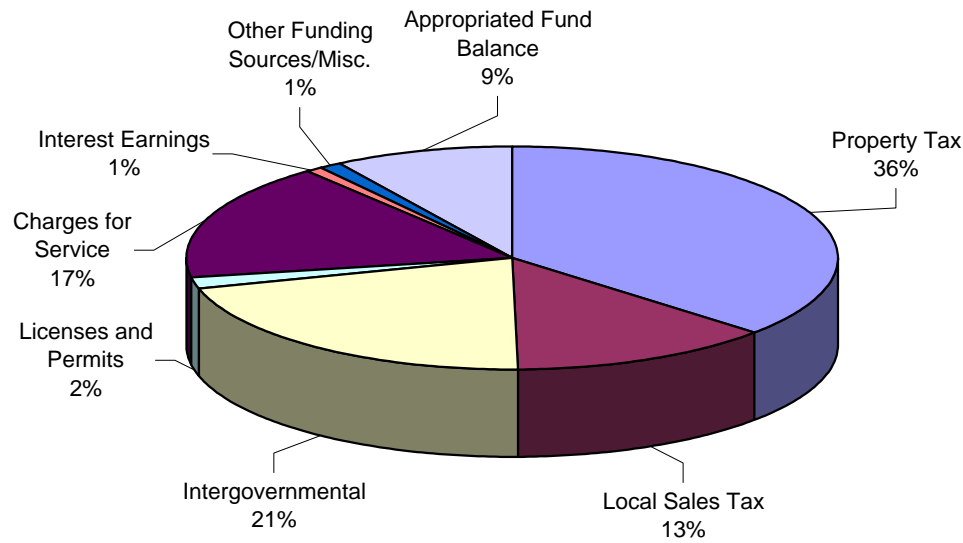
	REVENUES			EXPENDITURES		
	Total Revenues	Less Approp Fm Other Funds	NET Revenues	Total Expenditures	Less Approp To Other Funds	NET Expenditures
OPERATING FUNDS						
General Fund	86,502,788	-	86,502,788	86,502,788	14,416,974	72,085,814
Storm Water Mgmt Fund	6,479,640	1,317,285	5,162,355	6,479,640	200,000	6,279,640
Solid Waste Mgmt Fund	8,646,814	687,814	7,959,000	8,646,814	-	8,646,814
SUBTOTAL	101,629,242	2,005,099	99,624,143	101,629,242	14,616,974	87,012,268
PROGRAM FUNDS						
CDBG Fund	900,000	-	900,000	900,000	-	900,000
HOME Partnership Fund	795,486	-	795,486	795,486	-	795,486
Parking Facilities Fund	2,537,956	75,000	2,462,956	2,537,956	-	2,537,956
Golf Course Fund	1,221,000	-	1,221,000	1,221,000	80,000	1,141,000
Fleet Fund	7,820,688	-	7,820,688	7,820,688	-	7,820,688
Convention Center Fund	94,135	-	94,135	94,135	-	94,135
PC Replacement Fund	503,885	-	503,885	503,885	-	503,885
SUBTOTAL	13,873,150	75,000	13,798,150	13,873,150	80,000	13,793,150
DEBT SERVICE FUNDS						
Debt Service Fund	21,977,390	8,686,875	13,290,515	21,977,390	-	21,977,390
CAPITAL PROJECT FUNDS						
Streets & Sidewalks	3,911,000	2,529,000	1,382,000	3,911,000	-	3,911,000
Storm Water/Drainage	200,000	200,000	-	200,000	-	200,000
Parks & Recreation	325,000	325,000	-	325,000	-	325,000
Public Facilities	796,000	796,000	-	796,000	-	796,000
Golf Course	80,000	80,000	-	80,000	-	80,000
SUBTOTAL	5,312,000	3,930,000	1,382,000	5,312,000	-	5,312,000
TOTAL ALL FUNDS	142,791,782	14,696,974	128,094,808	142,791,782	14,696,974	128,094,808

TOTAL BUDGET SUMMARY

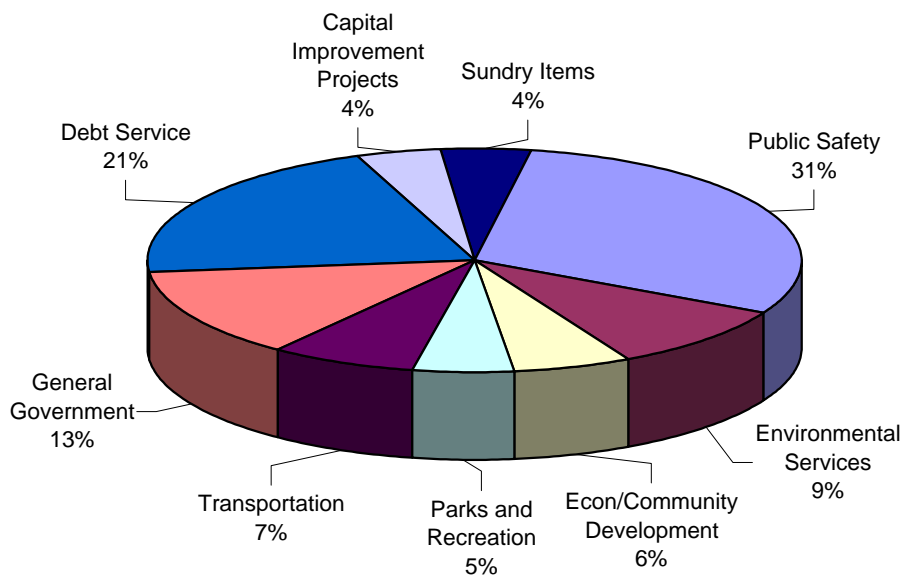
(Net of Interfund Transfers)

	FY 06-07	FY 07-08	FY 08-09	% Change
	Actuals	Adopted	Adopted	FY 2007-08 to FY 2008-09
REVENUES				
Property Tax	42,276,841	44,572,185	47,024,700	
Local Sales Tax	17,066,576	18,191,450	16,728,531	
Intergovernmental	12,307,291	11,839,580	26,552,552	
Licenses and Permits	3,452,448	3,731,698	2,282,400	
Charges for Service	57,298,257	58,298,319	21,632,756	
Interest Earnings	5,051,125	3,520,000	956,000	
Other Funding Sources/Misc.	4,566,062	963,360	1,635,051	
Appropriated Fund Balance	-	8,528,000	11,282,818	
TOTAL	142,018,600	149,644,592	128,094,808	-14.4%
EXPENDITURES				
Public Safety	33,739,252	36,325,666	38,279,592	
Environmental Services	28,161,975	31,580,257	12,070,282	
Econ/Community Development	6,938,979	8,467,309	7,540,424	
Parks and Recreation	5,705,232	6,255,937	6,610,925	
Transportation	7,031,702	8,527,120	8,996,283	
General Government	16,183,168	15,875,131	16,944,424	
Debt Service	23,464,933	26,624,060	26,516,689	
Capital Improvement Projects	11,498,000	6,429,472	5,525,000	
Sundry Items	6,985,687	9,559,640	5,611,189	
TOTAL	139,708,928	149,644,592	128,094,808	-14.4%

**Total City Revenues FY 2008-09
(Net of Interfund Transfers)**



**Total City Expenditures FY 2008-09
(Net of Interfund Transfers)**



Compiled Budget

	GENERAL FUND	SOLID WASTE MANAGEMENT FUND	STORM WATER MANAGEMENT FUND	GOLF COURSE FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ 47,024,700	\$ -	\$ -	\$ -
Local Sales Tax	16,728,531	-	-	-
Intergovernmental	12,877,507	-	-	-
Licenses and Permits	2,270,400	-	12,000	-
Charges for Service	1,810,650	7,914,000	5,021,389	1,101,000
Interest Earnings	600,000	45,000	114,000	20,000
Miscellaneous	700,000	-	-	-
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 82,011,788	\$ 7,959,000	\$ 5,147,389	\$ 1,121,000
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ 38,279,592	\$ -	\$ -	\$ -
Environmental Services	60,163	7,722,752	4,287,367	-
Econ/Community Development	6,422,803	-	-	-
Parks and Recreation	5,574,410	-	-	1,036,515
Transportation	7,504,913	-	-	-
General Government	10,888,068	-	-	-
Debt Service	-	262,007	1,184,010	-
Capital Improvement Projects	-	-	-	-
Sundry Items	3,355,865	662,055	808,263	104,485
TOTAL EXPENDITURES	\$ 72,085,814	\$ 8,646,814	\$ 6,279,640	\$ 1,141,000
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ 9,925,974	\$ (687,814)	\$ (1,132,251)	\$ (20,000)
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ 687,814	\$ 1,317,285	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Transfers To Other Funds				
Storm Water Fund	(1,317,285)	-	-	-
Debt Service Fund	(8,686,875)	-	-	-
Streets & Sidewalks Capital Projects	(2,529,000)	-	-	-
Parks & Recreation Capital Projects	(325,000)	-	-	-
Public Facilities Capital Projects	(796,000)	-	-	-
Parking Facilities Fund	(75,000)	-	-	-
Solid Waste Management Fund	(687,814)	-	-	-
Capital Project Funds	-	-	(200,000)	(80,000)
Appropriated Fund Balance	4,491,000	-	14,966	100,000
TOTAL OTHER FINANCING SOURCES/USES	\$ (9,925,974)	\$ 687,814	\$ 1,132,251	\$ 20,000
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

Compiled Budget

	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	HOME INVESTMENT PARTNERSHIP FUND	PARKING FACILITIES FUND	EQUIPMENT MAINTENANCE & REPLACEMENT FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	871,829	654,741	-	264,000
Licenses and Permits	-	-	-	-
Charges for Service	-	-	2,284,075	3,079,207
Interest Earnings	-	-	55,000	122,000
Miscellaneous	28,171	140,745	-	-
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 900,000	\$ 795,486	\$ 2,339,075	\$ 3,465,207
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	288,000	735,486	-	-
Parks and Recreation	-	-	-	-
Transportation	-	-	1,491,370	-
General Government	-	-	-	5,552,471
Debt Service	-	-	966,411	2,258,767
Capital Improvement Projects	213,000	-	-	-
Sundry Items	399,000	60,000	80,175	9,450
TOTAL EXPENDITURES	\$ 900,000	\$ 795,486	\$ 2,537,956	\$ 7,820,688
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ -	\$ -	\$ (198,881)	\$ (4,355,481)
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ -	\$ 75,000	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	-
Transfers To Other Funds				
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	-	-	123,881	4,355,481
TOTAL OTHER FINANCING SOURCES/USES	\$ -	\$ -	\$ 198,881	\$ 4,355,481
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

Compiled Budget

	COMPUTER REPLACEMENT FUND	DEBT SERVICE FUND	STREETS & SIDEWALKS CIP	STORM WATER/DRAIN- AGE CIP
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	-	11,174,475	710,000	-
Licenses and Permits	-	-	-	-
Charges for Service	422,435	-	-	-
Interest Earnings	-	-	-	-
Miscellaneous	-	-	672,000	-
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ 422,435	\$ 11,174,475	\$ 1,382,000	\$ -
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	-	-	-	-
Parks and Recreation	-	-	-	-
Transportation	-	-	-	-
General Government	503,885	-	-	-
Debt Service	-	21,845,494	-	-
Capital Improvement Projects	-	-	3,911,000	200,000
Sundry Items	-	131,896	-	-
TOTAL EXPENDITURES	\$ 503,885	\$ 21,977,390	\$ 3,911,000	\$ 200,000
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ (81,450)	\$ (10,802,915)	\$ (2,529,000)	\$ (200,000)
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ -	\$ 8,686,875	\$ 2,529,000	\$ -
Golf Course Fund	-	-	-	-
Storm Water Fund	-	-	-	200,000
Transfers To Other Funds				
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	81,450	2,116,040	-	-
TOTAL OTHER FINANCING SOURCES/USES	\$ 81,450	\$ 10,802,915	\$ 2,529,000	\$ 200,000
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

Compiled Budget

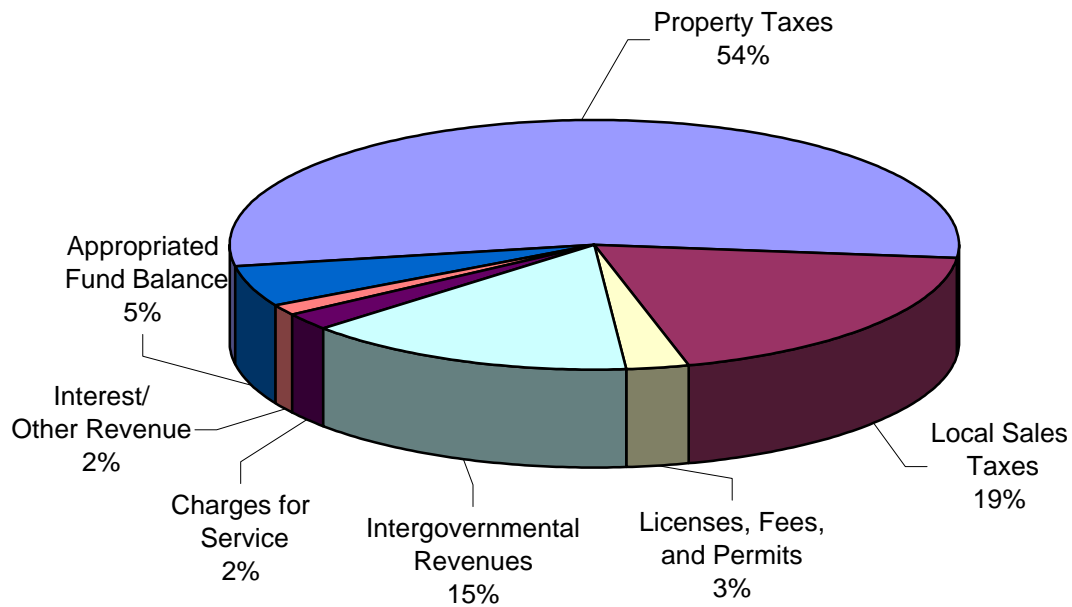
	PARKS & RECREATION CIP	GOLF COURSE CIP	PUBLIC FACILITIES CIP	CONVENTION CENTER FUND
ESTIMATED REVENUES				
SOURCE				
Property Tax	\$ -	\$ -	\$ -	\$ -
Local Sales Tax	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and Permits	-	-	-	-
Charges for Service	-	-	-	-
Interest Earnings	-	-	-	-
Miscellaneous	-	-	-	94,135
Other Long Term Debt	-	-	-	-
TOTAL ESTIMATED REVENUES	\$ -	\$ -	\$ -	\$ 94,135
EXPENDITURES				
FUNCTIONAL AREA				
Public Safety	\$ -	\$ -	\$ -	\$ -
Environmental Services	-	-	-	-
Econ/Community Development	-	-	-	94,135
Parks and Recreation	-	-	-	-
Transportation	-	-	-	-
General Government	-	-	-	-
Debt Service	-	-	-	-
Capital Improvement Projects	325,000	80,000	796,000	-
Sundry Items	-	-	-	-
TOTAL EXPENDITURES	\$ 325,000	\$ 80,000	\$ 796,000	\$ 94,135
ESTIMATED REVENUES OVER/(UNDER) EXPENDITURES	\$ (325,000)	\$ (80,000)	\$ (796,000)	\$ -
OTHER FINANCING SOURCES/USES				
Transfers From Other Funds				
General Fund	\$ 325,000	\$ -	\$ 796,000	\$ -
Golf Course Fund	-	80,000	-	-
Storm Water Fund	-	-	-	-
Transfers To Other Funds				
Storm Water Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Streets & Sidewalks Capital Projects	-	-	-	-
Parks & Recreation Capital Projects	-	-	-	-
Public Facilities Capital Projects	-	-	-	-
Parking Facilities Fund	-	-	-	-
Solid Waste Management Fund	-	-	-	-
Capital Project Funds	-	-	-	-
Appropriated Fund Balance	-	-	-	-
TOTAL OTHER FINANCING SOURCES/USES	\$ 325,000	\$ 80,000	\$ 796,000	\$ -
ESTIMATED REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	\$ -	\$ -	\$ -

GENERAL FUND BUDGET SUMMARY

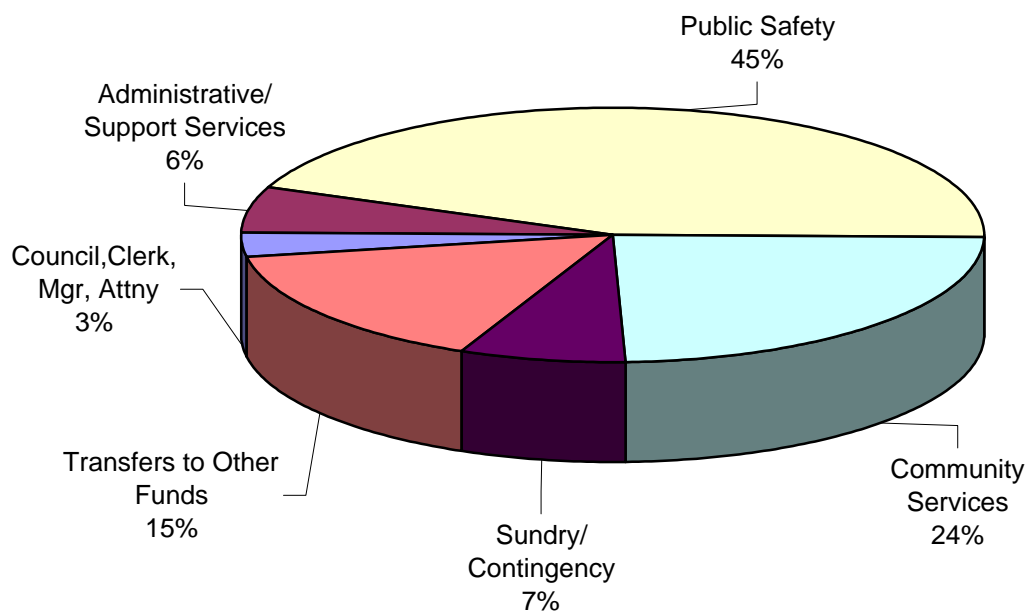
(Including Interfund Transfers)

	FY 06-07 Actual	FY 07-08 Adopted	FY 07-08 Adjusted	FY 08-09 Adopted	% Change FY 07-08 to FY 08-09
REVENUES					
Property Taxes	42,276,841	44,572,185	44,572,185	47,024,700	
Local Sales Taxes	17,066,576	18,191,450	18,191,450	16,728,531	
Licenses, Fees, and Permits	3,428,377	3,720,473	2,600,473	2,270,400	
Intergovernmental Revenues	10,551,964	10,269,847	11,389,847	12,877,507	
Charges for Current Services	5,328,382	5,364,386	5,364,386	1,810,650	
Fines and Forfeitures	102,744	100,000	100,000	100,000	
Interest Earnings	1,898,790	1,500,000	1,500,000	600,000	
Other Revenue	345,638	315,000	440,800	600,000	
Appropriated Fund Balance	-	2,600,000	4,757,646	4,491,000	
Total	80,999,312	86,633,341	88,916,787	86,502,788	-0.2%
EXPENDITURES					
Governance					
City Council	198,704	204,047	204,047	203,473	
City Clerk	157,559	172,495	172,495	183,667	
City Manager	1,313,636	1,512,891	1,512,891	1,457,594	
City Attorney	685,759	767,645	768,004	804,079	
Administrative & Support Services	4,848,355	5,416,275	5,465,070	5,073,178	
Public Safety	33,621,763	36,325,666	36,733,439	38,279,592	
Community Services	17,851,135	20,720,291	20,920,798	20,886,203	
Sundry	5,935,522	8,445,363	8,699,979	6,071,378	
Contingency	-	83,789	35,789	143,935	
Transfers to Other Funds	13,206,071	12,984,879	14,404,275	13,399,689	
Total	77,818,504	86,633,341	88,916,787	86,502,788	-0.2%

**General Fund Revenues FY 2008-09
(Including Interfund Transfers)**



**General Fund Expenditures FY 2008-09
(Including Interfund Transfers)**



APPROPRIATIONS BY FUND

The City of Wilmington has established separate funds for the purpose of reporting and accounting for all financial transactions. Each fund represents a separate financial and accounting entity established for the purpose of carrying out a specific set of activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations that pertain to the operations or resources of the fund.

Operating Funds

These funds provide for all of the basic operations of the City government.

The **General Fund (010)** is the general purpose fund of the City of Wilmington. It was established to account for all financial resources, except those required by State law, local ordinance, and generally accepted accounting principles, to be accounted for in another fund. General Fund revenues primarily include property taxes, sales taxes, revenues from state and federal governments, licenses, fees, and permits. The major operating activities include general government, public safety, community development, transportation and other governmental service functions.

The **Storm Water Management Fund (050)** are revenues and expenditures associated with the City's storm water planning, maintenance, public information efforts and the City's drainage capital improvements. The storm water utility fee, which is based on the amount of impervious surface present on each parcel of property, is the primary revenue source for these expenditures.

The **Public Utilities Fund (051)** Historical expenditures associated with this fund were funded primarily through water and sewer fees. Effective July 1, 2008 the consolidation of the City and County water and sewer services will begin providing those services as the Cape Fear Public Utility Authority.

The **Solid Waste Management Fund (056)** includes revenues and expenditures for the collection and disposal of garbage, yard waste, recyclable materials and other refuse. Solid waste customer fees are the primary revenue source for this fund.

The **Groundwater Utility Fund (058)** was created when groundwater (well) systems were purchased by the City in FY 1999-2000. Historical expenditures associated with the fund include billing, collections, water pumping, maintenance of lines, and new connections. Effective July 1, 2008 the consolidation of the City and County water and sewer services will begin providing those services as the Cape Fear Public Utility Authority.

Operating Funds

	FY 06-07 Actuals	FY 07-08 Adopted	FY 08-09 Adopted	% Change
010 GENERAL FUND	77,818,504	86,633,341	86,502,788	
<i>Less Appropriations to Other Funds</i>	<i>(14,327,371)</i>	<i>(14,020,035)</i>	<i>(14,416,974)</i>	
NET GENERAL FUND	63,491,133	72,613,306	72,085,814	
050 STORM WATER MANAGEMENT FUND	5,096,174	6,300,429	6,479,640	
<i>Less Appropriations to Other Funds</i>	<i>(776,700)</i>	<i>(968,075)</i>	<i>(200,000)</i>	
NET STORM WATER MANAGEMENT FUND	4,319,474	5,332,354	6,279,640	
051 PUBLIC UTILITIES FUND	33,279,519	34,941,208	-	
<i>Less Appropriations to Other Funds</i>	<i>(7,211,126)</i>	<i>(2,892,126)</i>	-	
NET PUBLIC UTILITIES FUND	26,068,393	32,049,082	-	
056 SOLID WASTE MANAGEMENT FUND	8,313,365	8,445,473	8,646,814	
<i>Less Appropriations to Other Funds</i>	<i>(468,922)</i>	<i>(556,830)</i>	-	
NET SOLID WASTE MANAGEMENT FUND	7,844,443	7,888,643	8,646,814	
058 GROUNDWATER UTILITY FUND	4,620,582	4,772,000	-	
<i>Less Appropriations to Other Funds</i>	<i>(27,572)</i>	<i>(2,500,000)</i>	-	
NET GROUNDWATER UTILITY FUND	4,593,010	2,272,000	-	
TOTAL OPERATING FUNDS	129,128,144	141,092,451	101,629,242	-28.0%
<i>Less Appropriations to Other Funds</i>	<i>(22,811,691)</i>	<i>(20,937,066)</i>	<i>(14,616,974)</i>	
NET OPERATING FUNDS	106,316,453	120,155,385	87,012,268	-27.6%

Program Funds

Each of these funds is set up to meet a specific purpose and function, but the services they provide are not mandated by law.

The **Special Purpose Fund (021)** is supported primarily by grant funds and donations to the City for special purposes.

The **Convention Center Operating Fund (022)** is supported primarily by Room Occupancy Tax funds allocated to the City for the development of the Convention Center.

The **Community Development Block Grant Fund (023)** is supported primarily by federal grant funds allocated to the City for community development programs designed to improve low and moderate income neighborhoods.

The **Home Partnership Fund (025)** is supported primarily by federal grant funds allocated to the City for housing-related activities in low and moderate income neighborhoods.

The **Facility Fee Fund (052)** includes fees paid by developers to help pay for expansions and improvements to the water and sewer system.

The **Parking Facilities Fund (055)** provides for the general operational and maintenance costs for the 2nd and Market Street parking decks, the 2nd Street parking lot and on-street parking. The fund is supported by parking deck and meter user fees as well as interest earnings and a transfer from the General Fund.

The **Golf Course Fund (057)** is supported by the income received at the City's municipal golf course and the associated costs with running that operation.

The **Equipment/Maintenance and Replacement (Fleet) Fund (061)** is an internal service fund that centralizes the expenditures for the maintenance and replacement of vehicles for all participating departments. Each City department makes annual payments according to the types of vehicles leased.

The **Personal Computer Replacement Fund (065)** is an internal service fund that provides for the replacement of desktop computers and laptops to reduce the technology gap. Revenues for this fund consist of internal charges to City departments for replacement according to the type of computer leased.

Program Funds

	FY 06-07 Actuals	FY 07-08 Adopted	FY 08-09 Adopted	% Change
021 SPECIAL PURPOSE FUND	141,989	-	-	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET SPECIAL PURPOSE FUND	141,989	-	-	
 CONVENTION CENTER OPERATING				
022 FUND	-	-	94,135	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET CONVENTION CENTER FUND	-	-	94,135	
 COMMUNITY DEVELOPMENT BLOCK				
023 GRANT FUND	974,326	907,615	900,000	
<i>Less Appropriations to Other Funds</i>	(405,000)	(405,000)	-	
NET CDBG FUND	569,326	502,615	900,000	
 025 HOME PARTNERSHIP FUND	690,583	1,086,478	795,486	
<i>Less Appropriations to Other Funds</i>	(50,000)	(50,000)	-	
NET HOME PARTNERSHIP FUND	640,583	1,036,478	795,486	
 052 FACILITY FEE FUND	2,100,000	1,850,000	-	
<i>Less Appropriations to Other Funds</i>	(2,100,000)	(1,850,000)	-	
NET FACILITY FEE FUND	-	-	-	
 055 PARKING FACILITIES FUND	1,947,348	2,567,096	2,537,956	
<i>Less Appropriations to Other Funds</i>	(29,000)	(169,500)	-	
NET PARKING FACILITIES FUND	1,918,348	2,397,596	2,537,956	
 057 GOLF COURSE FUND	1,102,762	1,071,212	1,221,000	
<i>Less Appropriations to Other Funds</i>	(326,957)	(175,557)	(80,000)	
NET GOLF COURSE FUND	775,805	895,655	1,141,000	
 061 FLEET FUND	9,122,198	9,532,466	7,820,688	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET FLEET FUND	9,122,198	9,532,466	7,820,688	
 065 COMPUTER REPLACEMENT FUND	306,008	387,040	503,885	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET COMPUTER REPLACEMENT FUND	306,008	387,040	503,885	
 TOTAL PROGRAM FUNDS	16,385,214	17,401,907	13,873,150	-20.3%
<i>Less Appropriations to Other Funds</i>	(2,910,957)	(2,650,057)	(80,000)	
NET PROGRAM FUNDS	13,474,257	14,751,850	13,793,150	-6.5%

Debt Service Funds

The Debt Service Fund (015) was established to set aside resources to meet current and future debt service requirements on general long-term debt.

	FY 06-07 Actuals	FY 07-08 Adopted	FY 08-09 Adopted	% Change
015 DEBT SERVICE FUND	8,680,212	8,500,000	21,977,390	
<i>Less Appropriations to Other Funds</i>	-	-	-	
NET DEBT SERVICE FUNDS	8,680,212	8,500,000	21,977,390	158.6%

Capital Project Funds

The purpose of the Capital Project Funds is to account for the financial resources segregated for the acquisition or construction of major capital facilities. The budgets within these funds are adopted for the life of the project, with revenues and expenditures accumulating until the year in which the project is completed.

The Capital Project Funds provide for street and sidewalk improvements projects, park improvement projects, water and sewer system improvements, and various other physical improvement projects which typically cost over \$50,000 and have a useful life greater than five years and are approved by the City Council.

Funding for capital projects comes from several sources, including property and sales tax collections as well as fees.

Capital Project Funds

	FY 06-07 Actuals	FY 07-08 Adopted	FY 08-09 Adopted	% Change
031 STREETS AND SIDEWALKS	6,059,700	17,491,000	6,661,000	
<i>Less Debt Funding</i>	(5,874,000)	(15,926,000)	(2,750,000)	
NET STREETS AND SIDEWALKS	1,857,000	1,565,000	3,911,000	
032 STORM WATER/DRAINAGE	1,775,000	2,165,000	4,318,000	
<i>Less Debt Funding</i>	(1,575,000)	(1,940,000)	(4,118,000)	
NET STORM WATER/DRAINAGE	200,000	225,000	200,000	
033 PARKS AND RECREATION	12,750,000	5,330,000	325,000	
<i>Less Debt Funding</i>	(11,950,000)	(4,200,000)	-	
NET PARKS AND RECREATION	800,000	1,130,000	325,000	
034 PUBLIC FACILITIES	5,032,000	6,444,000	2,996,000	
<i>Less Debt Funding</i>	(3,441,000)	(4,662,000)	(2,200,000)	
NET PUBLIC FACILITIES	1,591,000	1,782,000	796,000	

	FY 06-07 Actuals	FY 07-08 Adopted	FY 08-09 Adopted	% Change
035 PARKING FACILITIES	1,038	685,000	-	
<i>Less Debt Funding</i>	-	(550,000)	-	
NET PARKING FACILITIES	1,038	135,000	-	
036 GOLF COURSE	250,000	79,357	80,000	
<i>Less Debt Funding</i>	-	-	-	
NET GOLF COURSE	250,000	79,357	80,000	
053 WATER	10,688,000	16,164,000	-	
<i>Less Debt Funding</i>	(9,513,000)	(15,400,000)	-	
NET WATER	1,175,000	764,000	-	
054 SANITARY SEWER	11,575,000	16,622,000	-	
<i>Less Debt Funding</i>	(6,950,000)	(16,065,000)	-	
NET SANITARY SEWER	4,625,000	557,000	-	
TOTAL CAPITAL PROJECTS FUNDS	48,130,738	64,980,357	14,380,000	
<i>Less Debt Funding</i>	(39,303,000)	(58,743,000)	(9,068,000)	
NET CAPITAL PROJECTS FUNDS	10,499,038	6,237,357	5,312,000	-14.8%
GRAND TOTAL ALL FUNDS	202,324,308	231,974,715	151,859,782	
<i>Less Debt and Interfund Transfers</i>	(65,025,648)	(82,330,123)	(23,764,974)	
NET ALL FUNDS	138,969,960	149,644,592	128,094,808	-14.4%

CAPITAL DEBT SERVICE PROJECTS

	FY 2007-08 Adopted	FY 2008-09 Adopted
031 - STREETS AND SIDEWALKS		
General Obligation Bonds	10,488,000	250,000
Installment Financing	5,438,000	2,500,000
033 - PARKS AND RECREATION		
General Obligation Bonds	-	-
Installment Financing	4,200,000	-
034 - PUBLIC FACILITIES		
General Obligation Bonds	412,000	-
Installment Financing	4,250,000	2,000,000
New Hanover County Parks Bonds	-	200,000
035 - PARKING FACILITIES		
Installment Financing	550,000	-
032 - STORM WATER/DRAINAGE		
Revenue Bonds	1,940,000	4,118,000
053 - PUBLIC UTILITIES - WATER		
Revenue Bonds	15,400,000	-
054 - PUBLIC UTILITIES - SANITARY SEWER		
Revenue Bonds	16,065,000	-
TOTAL CAPITAL DEBT SERVICE PROJECTS	58,743,000	9,068,000

AUTHORIZED POSITION LISTING

The authorized position listing summarizes the net changes in positions for the fiscal years 2006-07 through the FY 2008-09 budget.

	2006-07 Actual	2007-08 Adopted	2007-08 Adjusted	2008-09 Adopted
City Clerk	2	2	2	2
City Manager	15.5	15.5	15.5	16
City Attorney	8	8	8	8
Administrative & Support Services	64	64	64	52
Community Services	228	235	236	236
Public Safety	522	541	544	544
GENERAL FUND	840	866	870	858
PUBLIC UTILITIES FUND	177.5	183.5	183.5	-
GROUNDWATER UTILITY FUND	7	7	7	-
FLEET FUND	15	15	15	15
PARKING FUND	1	1	1	2
SOLID WASTE MANAGEMENT FUND	91	95	93	93
GOLF ENTERPRISE FUND	9	9	9	9
STORM WATER MANAGEMENT FUND	59	59	59	59
ALL FUNDS	1,199.0	1,235.0	1,237.0	1,036.0

FY 08-09 FULL-TIME POSITION ADDITIONS
--

City Manager

Assistant to the City Manager/Development

1

Finance

Financial Analyst

1

Community Services

Fiscal Support Specialist

1

Parking Fund

Administrative Support Technician

1

FY 08-09 FULL-TIME POSITION DELETIONS

City Manager

Administrative Support Technician	0.5
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Finance

Purchasing Manager	1
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The following number of position deletions are the result of the formation of the Cape Fear Public Utility Authority:

Finance	12.0
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Development Services	1
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Public Utilities Fund	183.5
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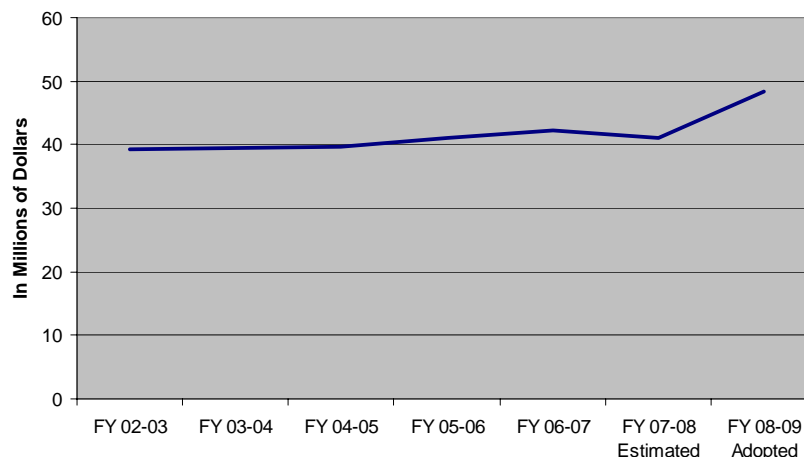
Groundwater Utility Fund	7
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TOTAL NET CHANGE	(201.0)
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General Fund Forecast Assumptions & Provisions

- Property taxes are estimated at a 2.5% growth in all future years
- Sales tax projects a 2.5% growth in all future years
- Personnel and benefits are projected at full exposure in keeping with the City's merit plan program
- Assumes no significant changes in fees
- Operating budgets for all departments assume a 3% growth for all estimated future years
- Assumes the continuation of the policy to transfer approximately a 10% value of the General fund for debt service funding
- Assumes no negative revenue impact as a result of State budget pressures and no unfunded mandates
- Assumes that future Outside Agency funding will continue in accordance with our financial policy of up to one-half of one percent
- Provides for the continuation of a level contribution for pay-as-you-go General Fund capital projects
- Provides for the continuation of transfer to the Parking Fund
- Assumes additional parks and building maintenance staff for new facilities and parks bond projects beginning in FY 09-10
- Provides for a change in accounting for indirect costs previously captured in Charges for Service revenue
- Reflects the reduction in indirect cost credit in expenditures for Public Utilities as a result of the City/County consolidation of this service into the Cape Fear Public Utility Authority

City of Wilmington Five-Year Property Tax Actuals with
Estimated 2008 Year-end and FY 2008-09 Budget



GENERAL FUND FINANCIAL FORECAST



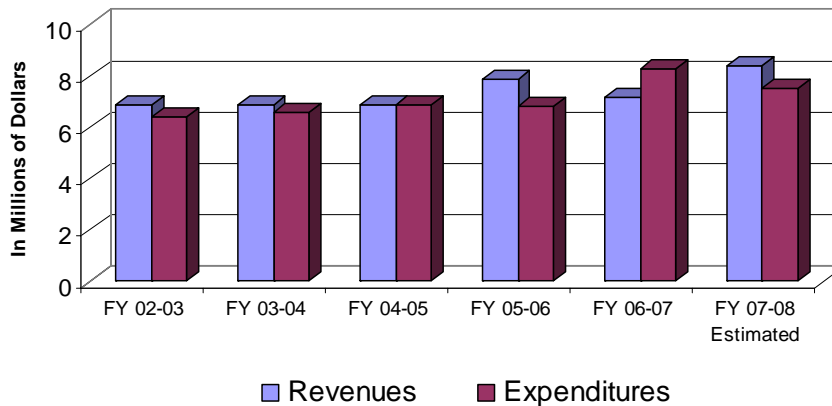
FY 2008-09 Adopted Budget

	Actual FY 2006-07	Adopted FY 2007-08	Adjusted FY 2007-08	Adopted FY 2008-09	Estimated FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14
REVENUES									
Property Taxes	42,276,841	44,572,185	44,572,185	47,024,700	48,181,193	49,366,597	50,581,637	51,827,053	53,869,535
Sales Taxes	17,066,576	18,191,450	18,191,450	16,728,531	17,149,665	17,581,443	18,024,138	18,478,026	19,034,645
Licenses, Fees, and Permits	3,428,377	3,720,473	3,720,473	2,270,400	2,329,736	2,390,785	2,453,596	2,518,222	2,584,714
Intergovernmental Revenues	10,551,964	10,269,847	10,269,847	12,877,507	13,277,270	13,691,485	14,120,697	14,565,471	15,026,396
Charges for Current Services	5,328,382	5,364,386	5,364,386	1,810,650	1,835,751	1,861,480	1,887,852	1,914,883	1,942,590
Fines and Forfeitures	102,744	100,000	100,000	100,000	90,000	90,000	90,000	90,000	90,000
Interest Earnings	1,898,790	1,500,000	1,500,000	600,000	615,000	630,375	646,134	662,288	678,845
Miscellaneous & Financing Proceeds	345,638	315,000	315,000	600,000	600,000	600,000	600,000	600,000	600,000
Transfers From Other Funds	-	-	-	-	-	-	-	-	-
Appropriated Fund Balance	-	2,600,000	4,427,146	4,491,000	4,491,000	4,491,000	4,491,000	4,491,000	4,491,000
TOTAL REVENUES	80,999,312	86,633,341	88,460,487	86,502,788	88,569,615	90,703,166	92,895,055	95,146,944	98,317,725
EXPENDITURES									
City Council	198,704	204,047	204,047	203,473	212,467	221,876	231,719	242,016	252,789
City Clerk	157,559	172,495	172,495	183,667	192,080	200,891	210,119	219,783	229,905
City Manager	1,313,636	1,512,891	1,512,891	1,457,594	1,591,684	1,670,387	1,753,000	1,839,718	1,930,746
City Attorney	685,759	767,645	768,004	804,079	876,827	919,442	964,151	1,011,057	1,060,270
Human Resources	693,898	753,058	753,058	768,222	836,854	875,738	916,478	959,163	1,003,888
Finance	2,370,948	2,602,166	2,609,658	1,861,781	2,010,341	2,107,025	2,208,427	2,314,781	2,426,331
Information Technology	1,783,509	2,061,051	2,102,354	2,443,175	2,631,780	2,738,597	2,850,091	2,966,479	3,087,984
Development Services	6,828,644	7,647,338	7,808,493	7,449,662	8,697,200	9,076,178	9,472,429	9,886,767	10,320,042
Community Services	4,419,267	4,938,473	4,943,565	4,988,511	5,428,563	5,680,778	5,945,043	6,221,945	6,512,098
Police	20,922,631	22,695,934	22,860,947	23,909,629	23,243,261	24,314,493	25,436,917	26,613,030	27,845,453
Fire	12,699,132	13,629,732	13,846,192	14,369,963	15,657,207	16,408,972	17,197,430	18,024,390	18,891,749
Public Services	6,603,224	8,134,480	8,168,740	8,448,030	9,209,385	9,589,040	9,985,252	10,398,779	10,830,409
TOTAL DEPARTMENTS	58,676,911	65,119,310	65,750,444	66,887,786	70,587,652	73,803,417	77,171,057	80,697,908	84,391,664
Nondepartmental	4,821,220	6,630,134	6,555,123	4,684,416	4,757,385	4,733,885	4,951,986	4,933,760	5,170,545
Outside Agencies	847,635	1,048,229	1,063,801	1,044,962	1,057,390	970,191	983,375	996,956	1,010,943
Economic Incentives	266,667	767,000	716,000	342,000	275,000	275,000	100,000	100,000	500,000
Inventory Changes	-	-	-	-	-	-	-	-	-
Contingency	-	83,789	35,789	143,935	143,935	143,935	143,935	143,935	143,935
Transfers to Other Funds	696,825	937,879	2,211,000	987,814	958,448	729,702	751,593	774,141	797,365
Transfer to Capital Project Funds	4,890,000	3,347,000	3,453,330	3,650,000	3,650,000	3,650,000	3,650,000	3,650,000	3,650,000
Transfer to Parking Fund	200,000	200,000	200,000	75,000	75,000	75,000	75,000	75,000	75,000
Transfer to Debt Reserve Fund	7,419,246	8,500,000	8,475,000	8,686,875	8,904,047	9,126,648	9,354,814	9,588,685	9,828,402
Transfer to Public Transportation	-	-	-	-	-	-	-	-	-
TOTAL NONDEPARTMENTAL	19,141,593	21,514,031	22,710,043	19,615,002	19,821,205	19,704,361	20,010,704	20,262,475	21,176,190
TOTAL EXPENDITURES	77,818,504	86,633,341	88,460,487	86,502,788	90,408,857	93,507,778	97,181,761	100,960,383	105,567,854
SURPLUS / (SHORTFALL)	3,180,808	-	-	-	(1,839,242)	(2,804,612)	(4,286,706)	(5,813,439)	(7,250,129)

Solid Waste Forecast Assumptions & Provisions

- Reflects a 5% rate increase in FY 2008-09 and a 1% rate increase in future years as a result of a recent rate study
- Refuse collections fee assumes a 1% customer growth rate
- The operating budget assumes a 3% growth rate for all future years
- Personnel and benefits have been projected at full exposure in keeping with the City's current merit plan program
- Assumes no increase in the New Hanover County disposal fee
- Provides for the transfer of General Funds for City-wide solid waste services included in the Special Services section and includes enhanced litter pickup and maintenance of the downtown business district, maintenance of public trash receptacles, and special events such as Riverfest and the Azalea Festival

City of Wilmington Solid Waste Five-year Historical Revenue to
Expenditure Actuals with Estimated 2008 Year-end



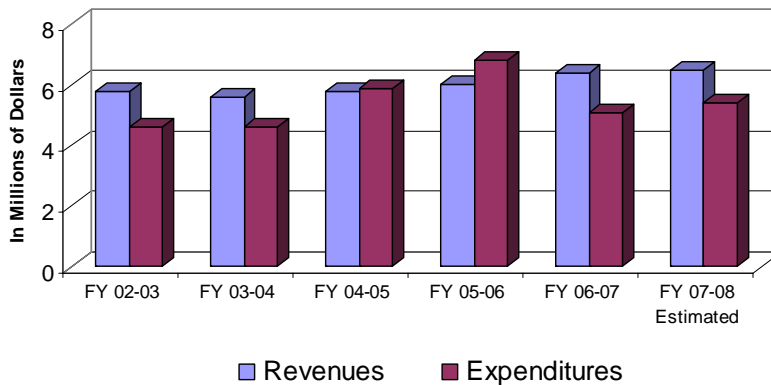
SOLID WASTE FUND FINANCIAL FORECAST

	Actual FY 2006-07	Adopted 2007-08	Adjusted 2007-08	Adopted FY 2008-09	Estimated FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14
REVENUES									
Refuse Fees	6,551,224	7,607,594	7,607,594	7,844,000	7,922,440	8,001,664	8,081,681	8,162,498	8,244,123
Recycling Sales	22,761	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Interest Earnings	137,522	100,000	100,000	45,000	45,000	45,000	45,000	45,000	45,000
Bag Sales Revenue	56,115	40,000	40,000	60,000	60,000	60,000	60,000	60,000	60,000
Transfer from General Fund	422,325	687,879	687,879	687,814	809,628	843,063	877,957	914,378	952,397
Appropriated Fund Balance	-	-	6,901	-	-	-	-	-	-
TOTAL REVENUES	7,190,563	8,445,473	8,452,374	8,646,814	8,847,068	8,959,727	9,074,638	9,191,876	9,311,520
EXPENDITURES									
Administration	340,715	363,052	365,216	385,077	402,915	421,603	441,181	461,693	483,184
Customer Refuse	4,458,231	3,868,569	3,869,305	3,715,104	3,856,964	4,004,600	4,158,262	4,318,210	4,484,716
Recycling	688,669	707,961	711,367	907,992	944,523	982,615	1,022,337	1,063,763	1,106,970
Yard Waste	1,539,057	1,732,302	1,732,723	1,877,137	1,959,074	2,044,750	2,134,342	2,228,034	2,326,020
Special Services	242,235	363,213	363,265	687,814	715,770	744,930	775,349	807,085	840,196
Downtown Collection	311,526	541,110	541,232	149,628	156,431	163,555	171,013	178,823	187,001
Sundry	499,218	635,555	635,555	662,055	679,405	697,275	715,682	734,641	754,168
Debt Service	233,714	233,711	233,711	262,007	233,714	-	-	-	-
TOTAL EXPENDITURES	8,313,365	8,445,473	8,452,374	8,646,814	8,948,796	9,059,328	9,418,166	9,792,248	10,182,254
SURPLUS / (SHORTFALL)	(1,122,802)	-	-	-	(101,728)	(99,601)	(343,528)	(600,371)	(870,735)

Storm Water Forecast Assumptions & Provisions

- Storm Water Fee revenues are projected at a 2.5% growth in all future estimated years
- No change in the rate structure or user fees is projected
- The operating budget assumes a 3% growth for all estimated years
- Personnel and benefits have been projected at full exposure in keeping with the City's current merit plan program
- Provides for the continuation of a level contribution to the Storm Water Capital Projects Fund

City of Wilmington Storm Water Five-year Historical Revenue to
Expenditure Actuals with Estimated 2008 Year-end



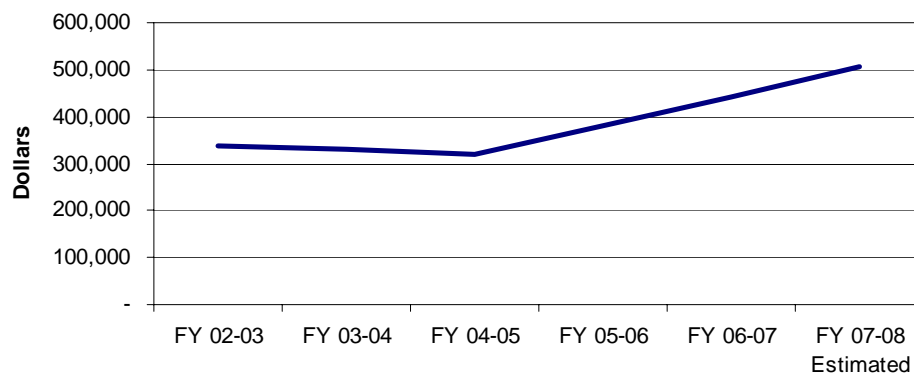
STORM WATER MANAGEMENT FUND FINANCIAL FORECAST

	Actual FY 2006-07	Adopted FY 2007-08	Adjusted FY 2007-08	Adopted FY 2008-09	Estimated FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14
REVENUES									
Storm Water Utility Fees	4,752,883	4,787,048	4,787,048	4,954,389	5,078,249	5,205,205	5,335,335	5,468,718	5,605,436
City Streets SW Utility Fees	1,253,811	1,285,156	1,285,156	1,317,285	1,350,217	1,383,973	1,418,572	1,454,036	1,490,387
Special Revenue Fund	-	-	-	-	-	-	-	-	-
Storm Water Discharge Permits	23,071	11,225	11,225	12,000	12,300	12,608	12,923	13,246	13,577
NCDOT Drainage Maintenance	30,500	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Transfer from Payment in Lieu	81,203	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Interest Earnings	278,803	150,000	150,000	114,000	118,560	123,302	128,234	133,364	138,698
Transfer from General Fund	-	-	25,000	-	-	-	-	-	-
Miscellaneous	11,884	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Appropriated Fund Balance	-	-	558,395	14,966	1,198,526	1,063,031	776,774	776,774	776,774
TOTAL REVENUES	6,432,155	6,300,429	6,883,824	6,479,640	7,824,852	7,855,118	7,738,838	7,913,138	8,091,873
EXPENDITURES									
Public Services	3,564,582	4,024,657	4,129,652	4,287,367	4,468,601	4,658,044	4,740,385	4,941,638	5,152,023
Nondepartmental	596,885	782,225	782,225	788,263	810,736	833,884	857,726	882,283	907,577
Debt Service/ Debt Reserve	734,707	1,248,547	1,273,547	1,184,010	1,184,454	1,558,154	1,556,429	1,718,416	1,706,256
Contingency	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Transfer to Cap Projects Fund	200,000	225,000	678,400	200,000	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	5,096,174	6,300,429	6,883,824	6,479,640	6,683,791	7,270,082	7,374,540	7,762,337	7,985,856
SURPLUS / (SHORTFALL)	1,335,981	-	-	-	1,141,061	585,036	364,298	150,801	106,017

Golf Course Forecast Assumptions & Provisions

- Assumes no increase in fees in the forecast years
- Green fees reflect a conservative level estimate in forecast years
- Discount cards reflect a conservative level estimate in forecast years
- Lease payments for golf carts are included in the operating expenditures in all estimated years
- Personnel and benefits have been projected at full exposure in keeping with the City's current merit plan program

City of Wilmington Golf Course
Five-year Historical Green Fee Revenue Actuals
with Estimated 2008 Year-end



GOLF COURSE FUND FINANCIAL FORECAST



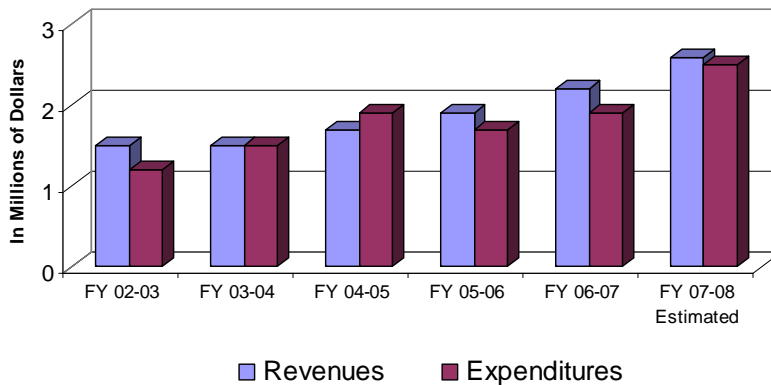
FY 2008-09 Adopted Budget

	Actual FY 2006-07	Adopted FY 2007-08	Adjusted FY 2007-08	Adopted FY 2008-09	Estimated FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14
REVENUES									
Daily Green Fees	441,881	442,734	442,734	500,000	500,000	500,000	500,000	500,000	500,000
Discount Card Fees	182,300	227,978	227,978	180,000	180,000	180,000	180,000	180,000	180,000
Tournament Fees	12,949	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cart Rental	297,219	250,000	250,000	275,000	275,000	275,000	275,000	275,000	275,000
Locker Fees	1,511	500	500	500	500	500	500	500	500
Concessions	125,775	120,000	120,000	135,500	135,500	135,500	135,500	135,500	135,500
Interest Earnings	53,956	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other Revenue	25	-	-	-	-	-	-	-	-
Appropriated Fund Balance	-	-	1,572	100,000	-	-	-	-	-
TOTAL REVENUES	1,115,616	1,071,212	1,072,784	1,221,000	1,121,000	1,121,000	1,121,000	1,121,000	1,121,000
EXPENDITURES									
Personnel	360,856	388,164	382,164	418,577	407,572	427,951	449,348	471,816	495,407
Benefits	103,112	109,190	109,190	111,943	114,650	120,382	126,401	132,721	139,357
Operating	302,792	356,096	365,918	396,695	410,219	465,965	523,384	582,526	600,002
Capital	1,364	35,549	33,299	109,300	35,904	36,264	36,626	36,992	37,362
Contingency	-	581	581	2,210	2,210	2,210	2,210	2,210	2,210
Debt Reserve	-	-	-	-	-	-	-	-	-
Nondepartmental	84,555	102,275	102,275	102,275	105,343	108,504	111,759	115,111	118,565
Transfers	250,000	79,357	79,357	80,000	80,000	80,000	80,000	80,000	80,000
Debt Service	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,102,679	1,071,212	1,072,784	1,221,000	1,155,898	1,241,275	1,329,729	1,421,377	1,472,903
SURPLUS / (SHORTFALL)	12,937	-	-	-	(34,898)	(120,275)	(208,729)	(300,377)	(351,903)

Parking Facility Fund Forecast Assumptions & Provisions

- Parking meter revenues are calculated at a 2% annual increase in future years to represent an assumption of increased usage
- Personnel and benefits have been projected at full exposure in keeping with the City's current merit plan program
- A General Fund transfer to the Parking Fund in an amount of \$75,000 is forecast in all future years in part to cover expenses associated with economic development incentive costs, deck security, deck maintenance needs, and to assist in building a reserve for future deck construction
- No rate increases are assumed in the forecast
- The forecast makes no assumption regarding any new debt associated with the potential acquisition of any new parking facilities
- Assumes a 3% increase in operating expenditures in all forecast years

City of Wilmington Parking Facility Fund Five-year Historical Revenue to Expenditure Actuals with Estimated 2008 Year-end



PARKING FUND FINANCIAL FORECAST



FY 2008-09 Adopted Budget

	Actual FY 2006-07	Adopted FY 2007-08	Adjusted FY 2007-08	Adopted FY 2008-09	Estimated FY 2009-10	Estimated FY 2010-11	Estimated FY 2011-12	Estimated FY 2012-13	Estimated FY 2013-14
REVENUES									
Parking Meters	608,568	942,560	942,560	753,900	769,167	784,059	799,249	814,742	830,546
Parking Fines	443,432	462,110	462,110	600,000	618,000	636,540	655,636	675,305	695,564
Parking Facility Charges	766,382	882,426	882,426	930,175	731,941	753,227	775,151	797,734	820,993
Interest Earnings	134,965	80,000	80,000	55,000	55,000	55,000	55,000	55,000	55,000
Transfers from Other Funds	200,000	200,000	200,000	75,000	75,000	75,000	75,000	75,000	75,000
Appropriated Fund Balance	-	-	55,063	123,881	-	-	-	-	-
Miscellaneous/Operating Subsidy	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,153,347	2,567,096	2,622,159	2,537,956	2,249,108	2,303,826	2,360,036	2,417,781	2,477,104
EXPENDITURES									
Personnel	57,291	64,398	64,398	81,036	85,088	89,342	93,809	98,500	103,425
Benefits	14,187	16,354	16,354	24,490	25,715	27,000	28,350	29,768	31,256
Operating	879,144	1,260,345	1,315,408	1,414,844	1,457,289	1,501,008	1,546,038	1,592,419	1,640,192
Outlay	2,626	3,000	3,000	-	-	-	-	-	-
Nondepartmental	5,564	141,175	141,175	6,175	6,230	6,230	6,230	6,230	6,230
Debt Service	988,536	1,036,824	1,036,824	966,411	751,891	737,716	716,516	705,516	685,266
Contingency	-	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL EXPENDITURES	1,947,348	2,567,096	2,622,159	2,537,956	2,371,213	2,406,296	2,435,944	2,477,433	2,511,369
SURPLUS / (SHORTFALL)	205,999	-	-	-	(122,105)	(102,471)	(75,907)	(59,652)	(34,265)

CONSOLIDATED UNDESIGNATED FUND BALANCE SUMMARY

Fund	Undesignated Fund Balance As of June 30, 2007	Anticipated Undesignated Fund Balance June 30, 2008	FY 08-09 Budgeted Expenditures	% of FY 08-09 Budgeted Expenditures	Anticipated Undesignated Fund Balance June 30, 2009	% of FY 08-09 Budgeted Expenditures
General Fund	16,310,893	17,124,014	86,502,788	19.80%	17,124,014	19.80%
Solid Waste Management Fund	2,109,269	2,109,269	8,646,814	24.39%	2,109,269	24.39%
Storm Water Management Fund	5,535,831	5,520,865	6,479,640	85.20%	5,520,865	85.20%
Golf Course Fund	929,361	829,361	1,221,000	67.92%	829,361	67.92%
Parking Facilities Fund	2,416,771	2,292,890	2,537,956	90.34%	2,292,890	90.34%

The Anticipated Undesignated Fund Balance as of June 30, 2008 includes any FY 08-09 appropriations. The undesignated Fund Balance for FY 2008-09 assumes receipt of budgeted revenues and use of all budgeted expenditures.

